



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

**Steven L. Beshear**  
Governor

275 E. Main Street, 6W-A  
Frankfort, KY 40621  
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**Janie Miller**  
Secretary

**Elizabeth A. Johnson**  
Commissioner

September 30, 2010

Ms. Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations  
Centers for Medicare and Medicaid Services  
61 Forsyth Street, SW, Suite 4T20  
Atlanta, Georgia 30303-8909

RE: SPA 10-007 – Community Mental Health Centers

Dear Ms. Glaze:

Enclosed is a copy of the Kentucky Title XIX Transmittal Number 10-007. This State Plan Amendment increase the reimbursement for the community mental health centers in Kentucky.

If additional information is needed, please contact my office at 502-564-4321.

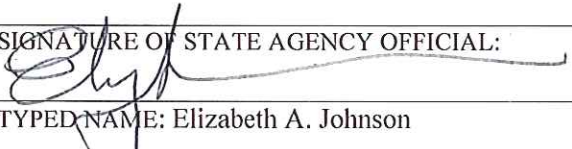
Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth A. Johnson", with a long, sweeping horizontal line extending to the right.

Elizabeth A. Johnson  
Commissioner

EJ/sjh

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 10-007	2. STATE Kentucky
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 7/1/2010	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION:		7. FEDERAL BUDGET IMPACT: a. FFY 2010 - \$1.5 Million b. FFY 2011 - \$8.9 Million	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Same	
10. SUBJECT OF AMENDMENT This plan amendment provides for increase in reimbursement to community mental health centers			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Review delegated <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED                      to Commissioner, Department for Medicaid <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL                      Services			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  Department for Medicaid Services 275 East Main Street 6W-A Frankfort, Kentucky 40621	
13. TYPED NAME: Elizabeth A. Johnson			
14. TITLE: Commissioner, Department for Medicaid Services			
15. DATE SUBMITTED: September 30, 2010			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

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XVI. Other diagnostic, screening, preventive and rehabilitative services.

Other diagnostic, screening, preventive and rehabilitative services provided by licensed community mental health centers and primary care centers shall be reimbursed in accordance with the limitations in 42 CFR 447.325.

A. Community mental health centers.

1. **Effective August 21, 2010**, participating in-state mental health centers shall be reimbursed as follows:
  - a. The department shall establish **interim rates** for each direct service cost center using **payment rates in effect as of August 21, 2010**, multiplied by an inflation factor sourced from the Global Insight healthcare cost review Medicare Economic Index (MEI), and a multiplier determined by a pro-rata portion of a pool established by the legislature to offset retirement system mandated expenditures.
  - b. The reimbursable departmental cost centers are inpatient psychiatry, inpatient other, intensive in home, personal care, outpatient psychiatry, outpatient individual, outpatient group, ~~and~~ therapeutic rehabilitation, **and other diagnostic screening, preventive and rehabilitative services.**
  - c. A cost settlement for the fiscal year will be applied upon the receipt of an audited cost report for the period. The amount of the cost settlement will be the lesser of "cost" or "cost multiplied by the aggregate upper payment limit factor". The cost report is subject to adjustments based on reconciliation with the DMS Paid Claim Listing, a desk review of the cost report, and/or an audit of the cost report in a format acceptable to CMS.
2. Participating out-of-state mental health center providers shall be reimbursed **at the Kentucky Medicaid physician fee schedule rate for the submitted CPT code service.**